



Peterson
Allred
Jackson

**CITIZENS AGAINST PHYSICAL
AND SEXUAL ABUSE, INC.**

FINANCIAL STATEMENTS

**For the Year Ended
June 30, 2005**

▪ Certified Public Accountants
Business Consultants

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CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.

FINANCIAL SECTION

For the Year Ended June 30, 2005



Peterson
Allred
Jackson

▪ Certified Public Accountants
Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Citizens Against Physical and Sexual Abuse, Inc.
Logan, Utah

We have audited the accompanying statement of financial position of the Citizens Against Physical and Sexual Abuse, Inc. (CAPSA) (a non-profit organization) as of June 30, 2005, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CAPSA as of June 30, 2005, and the results of its operations and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2005, on our consideration of the CAPSA's internal control over financial reporting and on our tests of its compliance with certain laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Peterson Allred Jackson

September 30, 2005

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CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.
Statement of Financial Position
June 30, 2005

(Memorandum Only)

Assets:	2005	2004
Cash	\$ 59,224	\$ 82,020
Certificates of deposit	100,688	-
Contracts receivable	37,646	38,194
Pledges and other receivables	16,425	8,760
Grants receivable	2,789	2,500
Prepaid expenses	3,373	17,168
Restricted cash	3,435	6,638
Land	157,490	161,390
Equipment	119,866	134,273
Vehicles	32,375	35,985
Buildings and improvements	1,278,685	1,423,583
Accumulated depreciation	(140,205)	(180,262)
TOTAL ASSETS	\$ 1,671,791	\$ 1,730,249
Liabilities and Net Assets:		
Accounts payable	\$ 8,516	\$ 7,398
Other accrued liabilities	11,818	13,344
Total current liabilities	20,334	20,742
Net assets:		
Unrestricted: designated for operations	1,648,022	1,702,869
Temporarily restricted	3,435	6,638
Total net assets	1,651,457	1,709,507
TOTAL LIABILITIES AND NET ASSETS	\$ 1,671,791	\$ 1,730,249

The accompanying notes are an integral part of these financial statements.

CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.

Statement of Activities

For the Year Ended June 30, 2005

	2005			2004
				(Memorandum Only)
Changes in net assets:	Unrestricted	Temporarily Restricted	Total	Total
Public support:				
Federal contracts and grants	\$ 68,363	\$ -	\$ 68,363	\$ 633,763
State contracts and grants	294,752	-	294,752	310,872
Other contracts and grants	16,565	3,435	20,000	36,000
Donated goods	8,497	-	8,497	25,475
Donations	104,619	-	104,619	109,472
 TOTAL PUBLIC SUPPORT	 492,796	 3,435	 496,231	 1,115,582
Revenue:				
Fundraising, net of expenses	51,145	-	51,145	38,150
Other	2,477	-	2,477	4,763
Gain on sale of assets	17,445	-	17,445	-
Interest and dividends	1,292	-	1,292	1,071
 TOTAL REVENUE	 72,359	 -	 72,359	 43,984
Net assets released from restrictions:				
Satisfaction of restrictions	6,638	(6,638)	-	-
 TOTAL SUPPORT AND REVENUE	 571,793	 (3,203)	 568,590	 1,159,566
Expenses:				
Program services	502,589	-	502,589	469,253
Supporting services- management and general	124,051	-	124,051	87,762
 TOTAL EXPENSES	 626,640	 -	 626,640	 557,015
 Change in net assets	 (54,847)	 (3,203)	 (58,050)	 602,551
Net assets- beginning of year	1,702,869	6,638	1,709,507	1,106,956
Net assets- end of year	\$ 1,648,022	\$ 3,435	\$ 1,651,457	\$ 1,709,507

The accompanying notes are an integral part of these financial statements.

CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2005

(Memorandum
Only)

	2005			2004
	Program Services	Management and General	Total Expenses	Total Expenses
Salaries and Wages	\$ 271,729	\$ 92,891	\$ 364,620	\$ 356,089
Benefits and taxes	48,586	9,222	57,808	52,604
 TOTAL SALARIES AND RELATED EXPENSES	 320,315	 102,113	 422,428	 408,693
 Depreciation	49,518	8,738	58,256	50,423
Utilities	19,495	541	20,036	20,951
Insurance	14,120	2,028	16,148	5,455
Supplies	25,523	722	26,245	13,399
Repairs and maintenance	13,177	373	13,550	11,942
Printing and subscriptions	6,252	-	6,252	5,040
Professional fees	-	7,593	7,593	4,650
Miscellaneous	50,618	1,631	52,249	22,232
Rent	-	-	-	96
Travel and transportation	2,578	287	2,865	1,715
Conferences	993	25	1,018	2,183
Loss on disposal of assets	-	-	-	10,236
 TOTAL EXPENSES	 \$ 502,589	 \$ 124,051	 \$ 626,640	 \$ 557,015

The accompanying notes are an integral part of these financial statements.

CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.

**Statement of Cash Flows
For the Year Ended June 30, 2005**

	<u>2005</u>	<u>(Memorandum Only) 2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (58,050)	\$ 602,551
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	58,256	50,423
(Gains) losses on disposal of assets	(17,445)	10,236
Noncash contribution of assets	-	(25,475)
(Increase) decrease in:		
Contracts receivable	548	5,016
Pledges and other receivables	(7,665)	(7,992)
Grants receivable	(289)	75,350
Prepaid expenses	13,795	(17,168)
Increase (decrease) in:		
Accounts payable	1,118	3,201
Other accrued liabilities	<u>(1,526)</u>	<u>(626)</u>
Net cash provided by operating activities	<u>(11,258)</u>	<u>695,516</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of assets	105,198	-
Purchase of certificates of deposit	(100,688)	-
Purchase of property and equipment	<u>(19,251)</u>	<u>(673,100)</u>
Net cash used in investing activities	<u>(14,741)</u>	<u>(673,100)</u>
Net increase (decrease) in cash	(25,999)	22,416
Cash, beginning of year	<u>88,658</u>	<u>66,242</u>
Cash, end of year	<u><u>\$ 62,659</u></u>	<u><u>\$ 88,658</u></u>
Supplementary information		
Interest paid	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.
Notes to Financial Statements
June 30, 2005

Note 1: Nature of Activities and Significant Accounting Policies

Nature of Activities

The Citizens Against Physical and Sexual Abuse, Inc. (CAPSA) is a non-profit corporation organized under the laws of the State of Utah. It is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

CAPSA provides shelter, care and counseling for physically and sexually abused persons in and around the Logan, Utah area. Primary sources of support are contracts from the State of Utah, Federal government, and contributions from individuals and foundations.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Statement Presentation

CAPSA's financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Company is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, CAPSA is required to present a statement of cash flows.

Cash and Cash Equivalents

CAPSA considers all highly liquid investments with original maturities of three months or less with their bank to be cash and cash equivalents.

Financial Instruments

Investments include publicly traded equity securities and certificates of deposit and are carried at fair market value based on quoted market prices. All gains and losses are included in the change in net assets.

Contracts, Grants, and Other Receivables- Recognition of Bad Debts

Allowances for doubtful accounts are established for any amounts in accounts receivable, which, in management's judgment, are not collectible. CAPSA's contracts receivable, which are unsecured, are primarily from contracts with the State of Utah. Grants receivable are from established charitable donors. CAPSA's management feels that all receivables are fully collectible, thus no provision for doubtful accounts has been recorded.

Land, Buildings and Improvements, Equipment and Vehicles

Land, buildings and improvements, equipment and vehicles greater than \$500 are stated at cost or, if acquired by gift, at the estimated fair market value at date of the gift. Depreciation is provided over the estimated useful life of the related assets using the straight line method. The estimated useful lives are as follows:

Buildings and Improvements	20 to 40 years
Equipment	3 to 15 years
Vehicles	5 years

Upon disposition of an asset, its cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized.

Contributions

Support that is restricted by contract or donor provisions is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other restricted support, if any, is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. CAPSA does not imply a time restriction on contributions of long-lived assets received, if any, unless the donor so stipulates. Contributions of cash and other assets restricted to the acquisition of long-lived assets are reported as restricted support until the asset is placed in service.

Donated materials and equipment, if any, are recorded as support at their estimated values. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Donated services are recognized when the service either creates or enhances a nonfinancial asset or requires specialized skill that would be purchased if the service was not donated. During the fiscal years 2005 and 2004, CAPSA received approximately 10,682 and 13,318 hours, respectively, of donated services by crisis hotline volunteers with an estimated fair value of \$85,460 and \$79,908, respectively. No amounts have been reflected in the financial statements for these donated services.

Functional Expenses

Expenses are charged to program services based on direct expenditures incurred. Any expenditure not directly chargeable is allocated between program services and support services based on payroll, depending on the nature of the expenditure.

Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2: Cash

CAPSA holds the following funds in a single institution. All funds were covered by federally insured limits. The following amounts were held at 6/30/05:

	Carrying balance	Bank balance
Zion's Bank checking	\$ 7,867	\$ 10,069
Zion's Bank savings	54,690	54,690
Petty cash	102	--
Total	<u>\$ 62,659</u>	<u>\$ 64,759</u>

Note 3: Grants Receivable

The amount recognized as grants receivable includes the grant from United Way:

United Way	<u>\$ 2,789</u>
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Note 4: Contracts Receivable

Contracts receivable consisted of the following at June 30, 2005:

DCFS	\$ 10,890
VOCA	9,063
VAWA	9,464
HTF	4,899
CNH	875
RPEG	2,455
Contracts receivable	<u>\$ 37,646</u>

Management believes all of the contracts receivable are collectible and thus no allowance for doubtful accounts has been established.

Note 5: Land, Equipment, Vehicles, Buildings and Improvements

At June 20, 3005, land, equipment, vehicles, buildings and improvements consisted of the following:

	<u>7/01/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/05</u>
Land	\$161,390	\$ --	(\$3,900)	\$157,490
Equipment	134,273	7,894	(22,301)	119,866
Vehicles	35,985	--	(3,610)	32,375
Buildings & Improvements	<u>1,423,583</u>	<u>11,357</u>	<u>(156,255)</u>	<u>1,278,685</u>
Total Assets	1,755,231	19,251	(186,066)	1,588,416
Less Accumulated Depreciation	<u>(180,262)</u>	<u>(58,256)</u>	<u>98,313</u>	<u>(140,205)</u>
Net Assets	<u>\$1,574,969</u>	<u>(\$39,005)</u>	<u>\$87,753</u>	<u>\$1,448,211</u>

Note 6: Fundraising Expenses

Fundraising expenses for fiscal years 2005 and 2004 were \$15,128 and \$9,361, respectively.

Note 7: Operating Lease

CAPSA has entered into a 60 month lease for the use of a copier. Monthly payments for the copier are \$278. The organization is responsible for the payments for the next three years as outlined below.

2006	\$3,336
2007	3,336
2008	<u>2,780</u>

Total \$9,452

Note 8: Memorandum Totals

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to consolidation. Some prior year amounts have been reclassified to facilitate comparability.

CITIZENS AGAINST PHYSICAL & SEXUAL ABUSE, INC.

COMPLIANCE REPORTS

June 30, 2005



Peterson
Allred
Jackson

▪ Certified Public Accountants
Business Consultants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Citizens Against Physical and Sexual Abuse, Inc.
Logan, UT

We have audited the financial statements of the Citizens Against Physical and Sexual Abuse, Inc. (CAPSA) as of and for the year ended June 30, 2005, and have issued our report thereon dated September 30, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether CAPSA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CAPSA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in

the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of CAPSA in a separate letter dated September 30, 2005.

This report is intended for the information and use of management, others within the organization, the Board of Directors, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Peterson Alured Jackson

September 30, 2005



Peterson
Allred
Jackson

▪ Certified Public Accountants
Business Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LEGAL REQUIREMENTS

September 30, 2005

Board of Directors
Citizens Against Physical and Sexual Abuse, Inc.
Logan, UT

We have audited the financial statements of the Citizens Against Physical and Sexual Abuse, Inc., (CAPSA) (a non-profit organization) as of and for the year ended June 30, 2005, and have issued our report thereon dated September 30, 2005. As part of our audit, we have audited the CAPSA's compliance with the provider contract determined to be a major State assistance program as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2005. CAPSA received the following major assistance program from the State of Utah:

Department of Community & Economic Development:
Critical Needs Housing
Homeless Trust Funds

The management of CAPSA is responsible for the CAPSA's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the CAPSA's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, CAPSA complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for the year ended June 30, 2005.

Peterson Alfred Jackson

September 30, 2005

CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.

MANAGEMENT LETTER

June 30, 2005



Peterson
Alfred
Jackson

▪ Certified Public Accountants
▪ Business Consultants

September 30, 2005

To the Board of Directors
Citizens Against Physical and Sexual Abuse, Inc.
Logan, UT 84321

In planning and performing our audit of the financial statements of the Citizens Against Physical and Sexual Abuse, Inc. (CAPSA) (a non-profit corporation) as of June 30, 2005, we developed the following recommendations concerning certain matters related to the internal control structure and certain administrative and operating matters. These recommendations resulted from our observations made in connection with our audit of CAPSA's financial statements for the year ended June 30, 2005, and are not based on special study. Our comments and principal recommendations are summarized as follows:

PRIOR YEAR FINDINGS

Finding: Accruals. CAPSA does not currently record payables and receivables when incurred. Adjustments are made on a periodic basis.

Recommendation: Enter all receivables and payables when incurred. Tracking and recording accruals on a timely basis will better help the organization to track all grant revenues and expenses.

Management response: The Financial Officer will start tracking grant funding and other donations, awards, etc. through an accounts receivable item in Quick books.

Status: Receivables and payables were booked at the end of the year. Continued efforts on a timely basis is encouraged.

Finding: Segregation of duties and controls over cash. The Organization needs to increase the separation of duties in receiving, recording, depositing, check signing and reconciling cash.

Recommendation: The Organization can increase controls related to cash receipting by endorsing incoming checks for deposit only and issuing cash receipts for incoming cash. Review of deposit detail and bank reconciliations by an independent person with no cash duties will also increase controls in this area.

Management response: CAPSA will from this date forward assign the responsibility of receiving checks to the administrative secretary. Upon receiving the checks, the Administrative secretary will stamp them with the deposit only stamp and send them to the Financial Officer to be recorded. After recording, the checks will then be deposited in CAPSA's Zion's Bank Savings Account by the Administrative Secretary.

Status: The above procedures were implemented during the year.

CURRENT YEAR FINDINGS

Finding: *Fixed Asset Schedule Maintenance.* During our review of expenditures, we noted multiple capital assets that were booked as an expense instead of an asset .

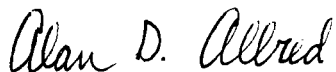
Recommendation: All capital assets over the capitalization policy (currently \$500) should be recorded as an asset at the time of purchase. Also, fixed asset accounts should be adjusted whenever an asset is disposed, sold or retired and the associated gain or loss on sale of assets should then be booked.

Management response: CAPSA was not doing this at the suggestion of our previous auditors and this was the practice in our last audit. However, CAPSA will from this time forward book all capital purchases as assets. CAPSA administration will however request that our Board of Directors increase the capitalization limit to \$1,000.

In conclusion, we wish to recognize Kent Duncombe for his excellent service provided to the Citizens Against Physical and Sexual Abuse, Inc.. The performance of the Citizens Against Physical and Sexual Abuse, Inc. annual fiscal year audit has been an enjoyable experience for us and we would like to thank CAPSA for the opportunity to serve as independent auditors.

Very truly yours,

PETERSON ALLRED JACKSON



Alan D. Allred, CPA